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Asian Textile Conference

Textile Industry: Moving Beyond the Conventional Paradigms

14th March 2018

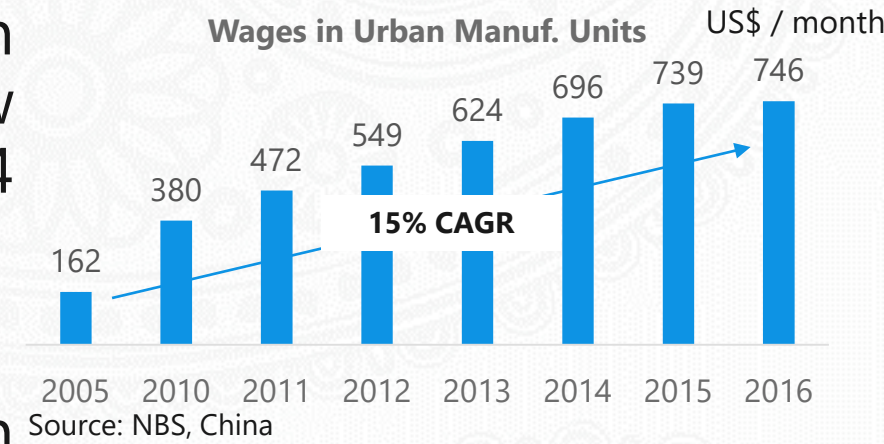


Presentation Agenda

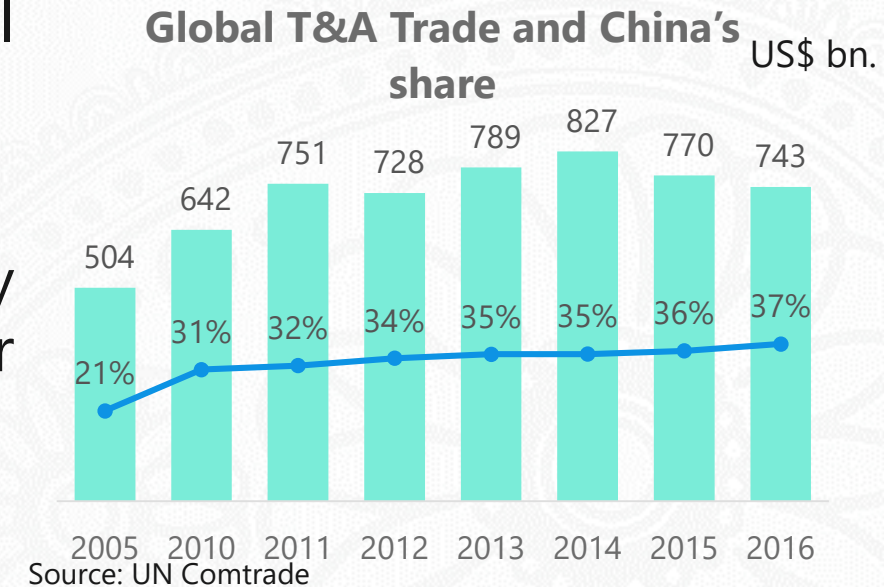
- Global Trends in Textile & Apparel Industry
- Target 2025 for India
- What Should Industry Do?

China: Largest Producer Despite Increasing Costs

- Chinese wage costs have grown in double digits in last few years and today stand almost 4 times that of India.



- However, Chinese share in global textile and apparel exports remains high.



- Even today, textile machinery shipments to China are higher than any other nation.

Economies of scale, efficient manufacturing system and superior infrastructure have helped China to remain the unchallenged global leader in textile and apparel sector

Asia: The Future Market Growth Centre

- Powered by strong market growth in China and India, the global apparel market is shifting towards Asia

US\$ bn.

S. No.	Region	2016	2025 (P)	CAGR
1	EU-28	397	435	1%
2	USA	326	389	2%
3	China	212	500	10%
4	Japan	99	109	1%
5	India	63	160	11%
6	Brazil	61	94	5%
7	Canada	31	37	2%
8	Russia	25	39	5%
	RoW	470	794	6%
	Total	1,684	2,556	5%

- Combined size of Chinese & Indian market will almost be equal to that of US & EU by 2025

Rising importance of developing Asian markets will lead to enormous supply chain changes across the globe, with stronger focus on Indian and Chinese markets

Industry 4.0 & Textile:

A Revolution in Making



Artificial Intelligence

- Machines which can think humanly
- Can be used for **consumer trend predictions, self diagnosing machines**



Advance Robotics

- Application of automation in business operations
- Extensive use possible in **cut & sew industry**



3D Printing

- Creating 3-D objects using Computer Added Design (CAD)
- It is generally used in **high-end fashion products**



Smart / Wearables Textiles

- Intelligent textiles which can sense and react to environmental conditions
- Used in textiles for health, military, defense, and sports

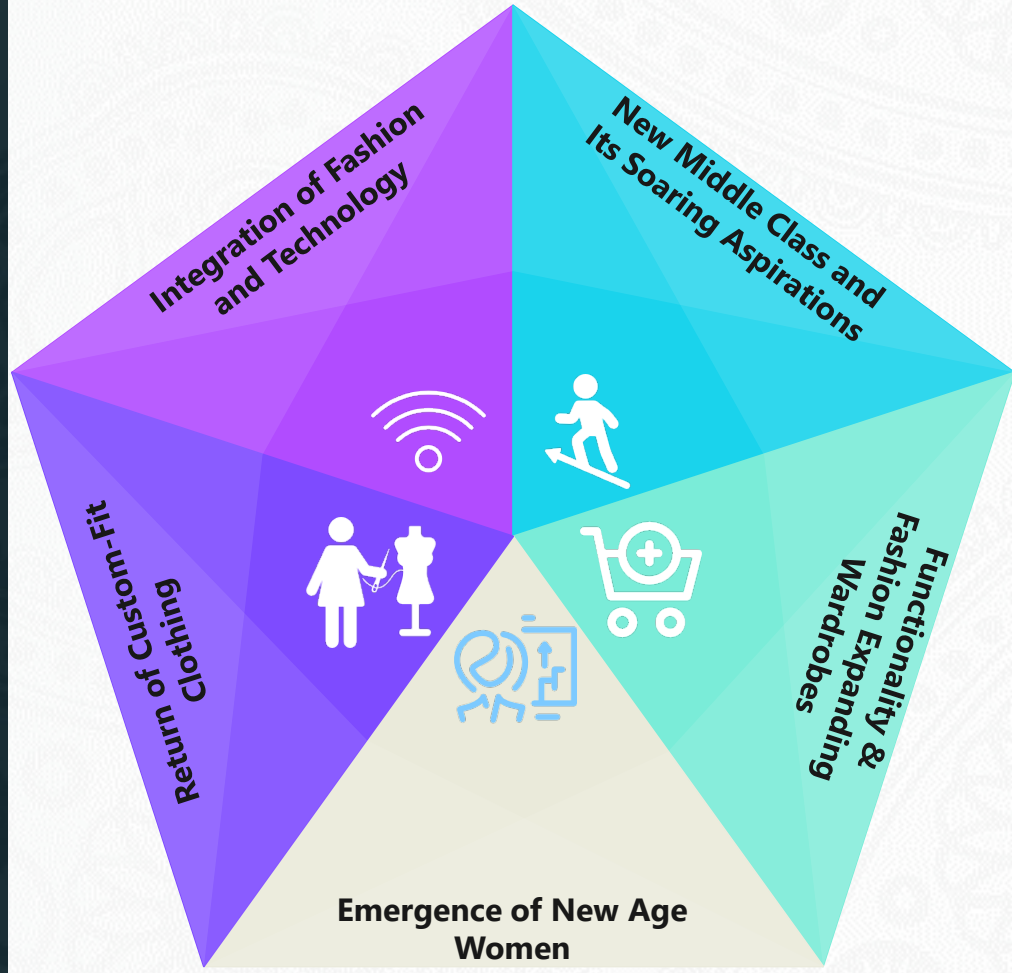


Internet of Things

- Interconnected machines that can transfer data without human intervention
- **Automated monitoring** of factory operations and **predictive maintenance**

Adoption of Industry 4.0 tools and technologies in textiles would result in increased efficiency, reduced lead and production time, improved production quality, thereby impacting the global landscape

5 Consumption Trends Driving Growth in India



New Middle Class and Its Soaring Aspirations



-Rural economies diversified into manufacturing and service sector
-Middle class consumer is both fashionable and value conscious

Functionality & Fashion Expanding Wardrobes



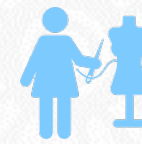
-Increase of urban consumers buying apparel for functional/performance benefits

Emergence of New Age Women



-No. of working women is increasing
-Increased consumption of RTW than home stitched apparel

Return of Custom-Fit Clothing



-Premium and luxury brands entering made to measure and bespoke tailoring market

Integration of Fashion & Technology

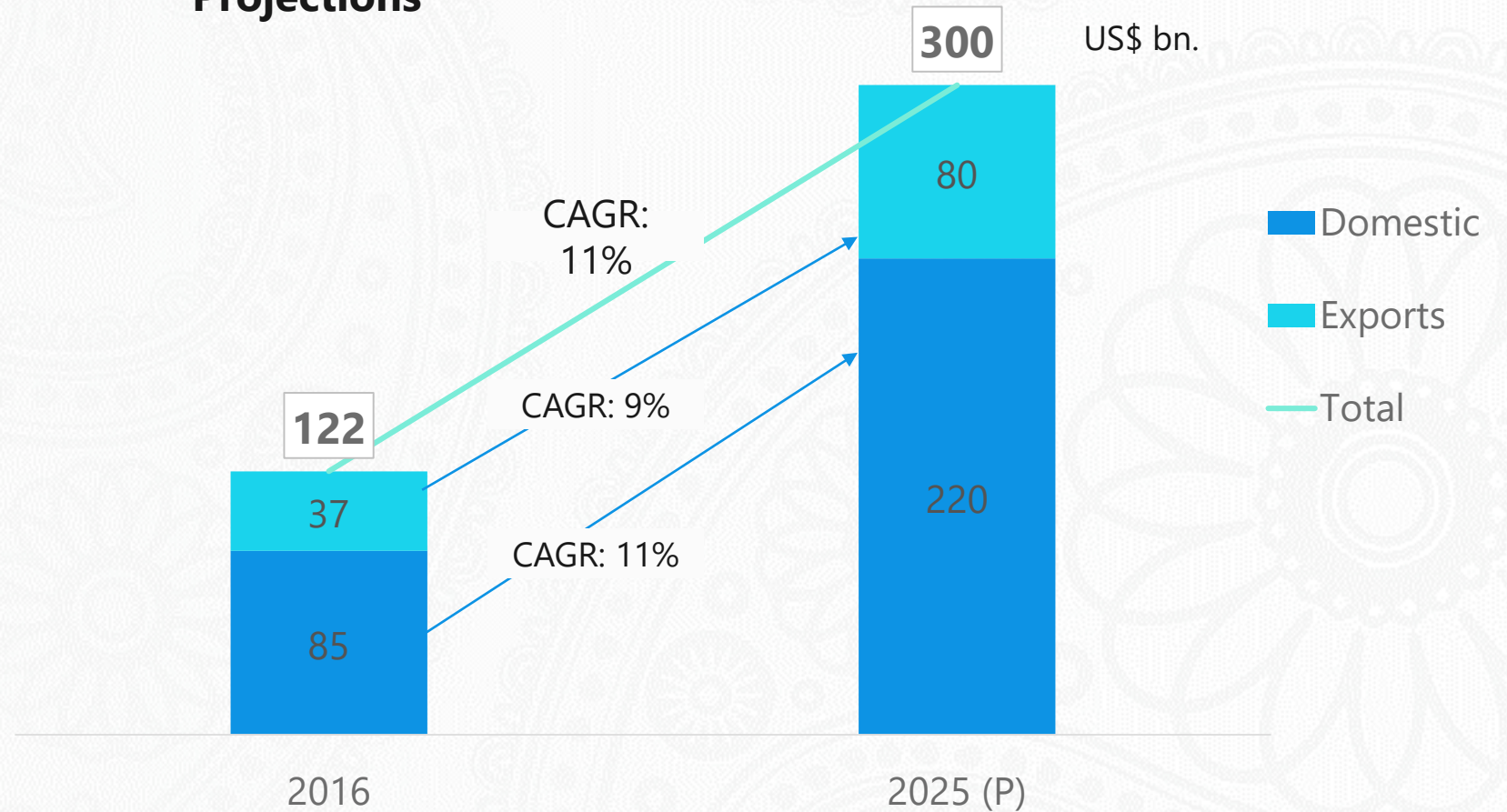


-Access to digital devices and internet
-Digitally driven fashion brands
-Use of data mining techniques

Target 2025 for India

- India has the potential to achieve a total market of US\$ 300 billion by 2025, with domestic market growing at 11% CAGR and exports at 9% CAGR

Indian Textile and Apparel Market Growth Projections



Industry Initiatives Required

1. Focus of Improving Productivity
2. Promoting JVs and International Partnerships

Improving Productivity

- Indian garment units operate at lower productivity levels than countries like Bangladesh, China, etc.

Country	India	Bangladesh	Turkey	China
India	40-45%	50-55%	60-65%	60-65%

- 15% improvement in apparel manufacturing productivity can improve EBIDTA by 30%



JVs & Partnerships

- Exploring potential tie-ups and partnerships with leading international players in segments where India's presence is low e.g. synthetic textiles, activewear, technical textiles
- Collaborations help the company upgrade in terms of skill sets, manufacturing capacity, design and operational efficiency.



Industry Initiatives Required

3. Market Intelligence

4. Use of Information Technology in the Industry

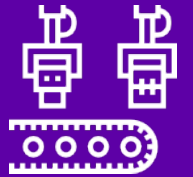
Market Intelligence

- To keep up with the latest trends and new developments
- To enable strategic decision making, study the information on buyers, competitors and other trade aspects



Use of IT in Industry

- With the emergence of Industry 4.0, success of T&A industry lies in the usage of modern technology
- The future lies in tools such as big data analytics, robots, automatons, programmable logic controllers and Internet of Things (IoT)



Industry Initiatives Required

5. Focus on Service

6. Training Across the Hierarchy

Focus on Service

- In this competitive global scenario, India can have a differentiating edge over its counterparts by focusing on the customer service
- To deliver the right product at the right time
- After sales service brings client loyalty towards the supplier



Training Across the Hierarchy

- To shift from the conventional working environment to a modern corporate work ethic it is important to provide training at all levels of the organization
- It would help in motivation across the companies and enable employee retention



Thank You

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